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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

MAR 16 992

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934.

92-2248

For Quarter Ended January 31, 1992

Commission File Number 0-8877

CREDO PETROLEUM CORPORATION

Colorado	84-0772991
(State of Incorporation)	(IRS Employer Identification)

1801 Broadway, Suite 900

Denver, Colorado 80202

(303) 297-2200

PROCESSED BY

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, net of treasury stock, as of March 15, 1992:

Common stock, $.10 par value - 3,655,000

Preferred stock, no par value - None Issued

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CREDO PETROLEUM CORPORATION

INDEX TO FORM 10-Q

January 31, 1992

PART I - FINANCIAL INFORMATION (UNAUDITED)

	Page
Consolidated Balance Sheets as of January 31, 1992 and October 31, 1991	3
Consolidated Statements of Earnings and Changes in Retained Earnings for the three months ended January 31, 1992 and 1991	4
Consolidated Statements of Cash Flows for the three months ended January 31, 1992 and 1991	5
Management's Discussion and Analysis of Financial Condition and Results of Operations - January 31, 1992	6-9

PART II - OTHER INFORMATION

Not Applicable

The financial information furnished in this Form 10-Q reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position of the Company for the periods presented.

CREDO PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS

	January 31, 1992 (First Qtr. End) Unaudited	October 31, 1991 (Fiscal Year End) Audited
ASSETS		
Current assets:		
Cash and temporary cash investments	$2,119,000	$2,342,000
Receivables:		
Trade	576,000	219,000
Accrued oil and gas sales	163,000	155,000
Accrued interest	14,000	18,000
Other	33,000	37,000
	2,905,000	2,771,000
Long-Term assets:		
Certificates of deposit	298,000	298,000
Operating rights and other intangible assets	633,000	655,000
Other	67,000	73,000
	998,000	1,026,000
Oil and gas properties, at cost, using full cost method:		
Evaluated	6,589,000	6,819,000
Unevaluated	1,247,000	1,081,000
	7,836,000	7,900,000
Less accumulated depreciation, depletion and amortization	(2,191,000)	(2,077,000)
	5,645,000	5,823,000
	$9,548,000	$9,620,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 573,000	$ 668,000
Deferred income taxes payable	76,000	76,000
	649,000	744,000
Deferred income taxes	427,000	391,000
Stockholders' equity:		
Preferred stock, without par value 5,000,000 shares authorized, none issued	-	-
Common stock, $.10 par value, 20,000,000 shares authorized, 3,655,000 shares issued	365,000	365,000
Capital in excess of par value	6,237,000	6,237,000
Retained earnings	2,300,000	2,241,000
Treasury stock, at cost, 250,000 shares in 1992 and 207,000 shares in 1991	(430,000)	(358,000)
	8,472,000	8,485,000
Commitments		
	$9,548,000	$9,620,000

See accompanying notes.

CREDO PETROLEUM CORPORATION

CONSOLIDATED STATEMENTS OF EARNINGS AND CHANGES IN RETAINED EARNINGS - UNAUDITED

	Three Months Ended January 31, 1992	Three Months Ended January 31, 1991
Revenues:		
Oil and gas sales	$ 353,000	$ 389,000
Operating	95,000	78,000
Interest and other	51,000	70,000
	499,000	537,000
Costs and expenses:		
General and administrative	151,000	138,000
Depreciation, depletion and amortization	135,000	105,000
Oil and gas production	116,000	105,000
	402,000	348,000
Income before income taxes	97,000	189,000
Income taxes	(38,000)	(51,000)
Net income	59,000	138,000
Retained earnings, beginning of period	2,241,000	1,948,000
Retained earnings, end of period	$2,300,000	$2,086,000
Earnings per share	$.02	$.04
Weighted average common shares outstanding during the period	3,470,000	3,459,000

See accompanying notes.

CREDO PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended January 31, 1992	Three Months Ended January 31, 1991
Operating activities:		
Net income	$ 59,000	$138,000
Noncash expenses included in net income:		
Depreciation, depletion and amortization	135,000	105,000
Deferred income taxes	38,000	51,000
Other	5,000	5,000
Changes in assets and liabilities:		
Trade receivables	(357,000)	(105,000)
Accrued oil and gas sales	(8,000)	39,000
Accrued interest	4,000	(5,000)
Other current assets	4,000	(39,000)
Accounts payable	(95,000)	(99,000)
Net cash provided by operating activities	(215,000)	90,000
Investing activities:		
Oil and gas properties	64,000	(77,000)
Investments in certificates of deposit and other investments	(1,422,000)	(594,000)
Proceeds from certificates of deposit and other investments	1,118,000	297,000
Other assets	-	(5,000)
Net cash provided by investing activities	(240,000)	(379,000)
Financing activities:		
Proceeds from short term notes	-	-
Repayment of short-term notes	-	(150,000)
Purchase of treasury stock	(72,000)	-
Net cash used by financing activities	(72,000)	(150,000)
Increase in cash and cash equivalents	(527,000)	(439,000)
Cash and cash equivalents:		
Beginning of period	654,000	655,000
End of period	$ 127,000	$ 216,000

See accompanying notes.

CREDO PETROLEUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

January 31, 1992

Liquidity and Capital Resources

The company's working capital and cash flow represent a significant capital resource and source of liquidity.

At first quarter-end, working capital was $2,256,000. Existing working capital and anticipated cash flow are expected to be sufficient to fund fiscal 1992 operations. However, if the company were to make one or more major acquisitions during the coming year, bank borrowing, issuance of additional stock, or other forms of debt financing would be considered. Because earnings are anticipated to be reinvested in operations, cash dividends are not expected to be paid in the foreseeable future.

Commitments for future capital expenditures were not material at first quarter-end. The timing of most capital expenditures for exploration and development is relatively discretionary. Therefore, the company can plan expenditures to coincide with available funds in order to minimize business risks.

Product Prices, Production and Interest Rates

Numerous uncertainties exist in the oil and gas exploration and production industry which are beyond the company's ability to predict with reasonable accuracy.

An oversupply of natural gas in the United States for the last several years together with deregulation of natural gas pricing and transportation have resulted in far-reaching and fundamental changes in the transportation and marketing segments of the natural gas industry. Gas price decontrol and the advent of an active spot market for natural gas have resulted in the company's gas sales and prices becoming more seasonal. Sales and prices accelerate in peak demand periods such as the winter months and subside during lower demand periods.

Uncertainties also exist with respect to the supply of oil available to world markets. OPEC exercises considerable influence over the worldwide oil supply and thus the prices for petroleum products.

Oil and gas sales volume and price comparisons for the indicated periods are set forth below. Prior year gas volumes were adjusted to reflect production versus sales differences.

Product	Three Months Ended January 31, 1992 Volume	Price	Three Months Ended January 31, 1991 Volume	Price	Percent Volume Change	Percent Price Change
Gas (Mcf)	70,000	$ 1.52	69,000	$ 1.63	+ 1%	- 7%
Oil (BO)	13,200	$18.32	10,300	$26.61	+28%	-31%

Product	Three Months Ended January 31, 1992 Volume	Price	Three Months Ended October 31, 1991 Volume	Price	Percent Volume Change	Percent Price Change
Gas (Mcf)	70,000	$ 1.52	73,000	$ 1.38	- 4%	+10%
Oil (BO)	13,200	$18.32	11,800	$19.38	+12%	- 5%

The interest rate earned on short-term investments averaged 6.8% for the three months ended January 31, 1992 compared to 8.6% in the same period in 1991. Current interest rates available to the company for one year terms range from 5.0% to 6.0%.

Deferred Income Taxes

The company provides taxes based on Statement of Financial Accounting Standard No. 96, Accounting for Income Taxes, ("FAS 96"). FAS 96 requires, among other things, that deferred taxes be provided on the liability method. The liability method requires that existing deferred tax balances be adjusted for changes in tax rates or laws upon enactment rather than when the related book/tax differences reverse.

Deferred tax expense calculated under FAS 96 represents the estimated changes in the company's total deferred tax liability related to the timing and amount of reversals of book and asset basis differences. The total future deferred income tax liability under FAS 96 is extremely complicated for any oil company to calculate due in part to the long-lived nature of depleting oil and gas reserves. Accordingly, the liability is subject to continual recalculation and revision of the numerous estimates required and may change significantly in the event of such things as major acquisitions, divestitures, changes in reserve estimates, changes in reserve lives, and changes in tax rates or tax laws.

Results of Operations

Quarter Ended January 31, 1992 Compared to Quarter Ended January 31, 1991

In the first quarter 1992, net income declined to $59,000 compared to $138,000 in the same period last year. The principal reason for the net income decline was a 31% decline in oil prices in the aftermath of the Middle-East conflict from $26.61 in the first quarter of 1991 to $18.32 in the first quarter of 1992.

Total revenues declined 7% to $499,000 in the first quarter of 1992 compared to $537,000 in the same period last year. Oil and gas sales declined 9% due primarily to a 31% decline in oil prices and a 7% decline in gas prices. The first fiscal quarter of 1991 included the months of November and December 1990 and January 1991. Oil prices in those months were significantly affected by the Middle-East conflict. The price declines were partially offset by increased oil production resulting from acquisitions made in the last month of fiscal 1991. Operating income increased 22% due to an increase in well management activities. Interest and other income decreased 27% to $51,000 from $70,000 last year due primarily to lower interest rates.

Total costs and expenses increased 15% to $402,000 in the first quarter of 1992 compared to $348,000 in the same period last year. General and administrative expenses increased 9% due to general inflationary pressures. Depreciation, depletion and amortization increased 29% due mostly to increased production volumes. The increase in oil and gas production expenses resulted from an increased activity level resulting from acquisitions made in the last month of fiscal 1991. Deferred income taxes were provided at 39% in the first quarter of 1992 compared to 27% last year.

Quarter Ended January 31, 1992 Compared to Quarter Ended October 31, 1991

In the first quarter of 1992, net income increased to $59,000 compared to $41,000 in the fourth quarter of 1991.

Total revenues increased 5% to $499,000 compared to $474,000 in the immediately preceding quarter. Oil and gas sales increased 7% in the first quarter primarily due to increased oil production resulting from acquisitions made in the last month of fiscal 1991. Operating income increased 19% due to an increase in well management activities. Interest and other income declined slightly.

Total costs and expenses increased 12% between the periods. General and administrative expenses increased 20% due to general inflationary pressure and certain downward adjustments made in the fourth quarter 1991 to reflect actual general and administrative costs which were lower than previously estimated. Depreciation, depletion and amortization increased slightly due primarily to the increased sales volumes. Oil and gas production costs and expenses increased 15% due to increased well activity resulting from acquisitions made in the last month of fiscal 1991. Deferred income taxes declined $36,000 due to an adjustment in the fourth quarter 1991 to reflect actual deferred income taxes which were higher than previously estimated.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CREDO PETROLEUM CORPORATION

Date: March 15, 1992

By: /s/ James T. Hoffman
James T. Hoffman
President and
Principal Financial Officer